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Their chief effort in the last two sessions of Congress has been to nullify a law of Congress providing for an honest election of members of Congress—a law passed in pursuance of a plain provision of the Constitution, declared by Mr. Madison to be essential to the preservation of the Government; a law which has been sanctioned by eight years of practical execution, which has been appealed to by both parties, whose constitutionality has never been disputed in the courts, and which is the only guard provided by Congress to protect citizens of the United States in the elective franchise. The movement for nullifying this law was made possible by a “united South,” united by terror, violence, and fraud, and by crimes that disgrace our civilization. Over the white men of the South, who were willing to acquiesce in the results of the war, the “united South” practised social ostracism and violence. Over the poor blacks, whose rights were granted, and as we foolishly thought sufficiently secured by the Constitution, it trampled with midnight murder and masquerade, and last year it capped the climax by election frauds more shameful than the ballot-box stuffing and repeating of Tweed and his infamous ring in 1868.

Several members of Congress who were confessedly elected by tissue-ballot-box stuffing, the meanest form of crime against the elective franchise, participated in refusing the necessary appropriations for the support of the Government unless the President would approve the repeal of the election laws. When, by the firmness of the President, they failed in their main object, they sought by conditions in appropriation bills to compel him to agree to nullify laws in violation of his oath of office.

When the President again defeated this scheme by his veto they refused to appropriate money to enforce the judicial mandates of the Government, and the United States courts are now powerless to enforce their decrees, or to serve process, or to keep the peace, unless the marshals serve without the pay fixed by law. In this way a majority of either House may nullify any law and destroy the Government. We thought all such dogmas were overthrown by the amendments to the Constitution. Such a policy, if sanctioned, will nullify the amendments, and is more dangerous than secession or State nullification. It is revolution and anarchy.

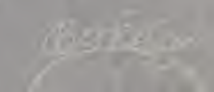
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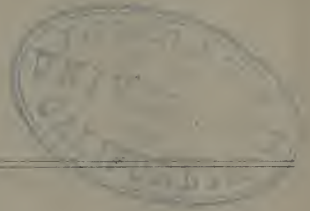
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In the fall of 1873 there happened a financial panic, out of which most of the economic questions upon which we are now divided naturally sprung. We must understand the actual condition of things when this occurred, in order to discuss with intelligence the measures that have been proposed and executed, and the questions that still remain open for decision. Our money then was paper money, irredeemable in coin, and worth about eighty-seven cents on the dollar. The amount outstanding was larger than ever before. Sometimes this has been disputed by counting as money at the close of the war all the compound-interest notes and 7.30 Treasury notes. These were no more current money than the 6 per cent. bonds into which they were converted. Both bore interest, and were always above par in paper



Kansas War



SPEECH

OF

HON. JOHN SHERMAN,

OF OHIO,

ON THE FINANCIAL AND OTHER ISSUES OF THE TIMES.

DELIVERED AT PORTLAND, MAINE, JULY 23, 1879.



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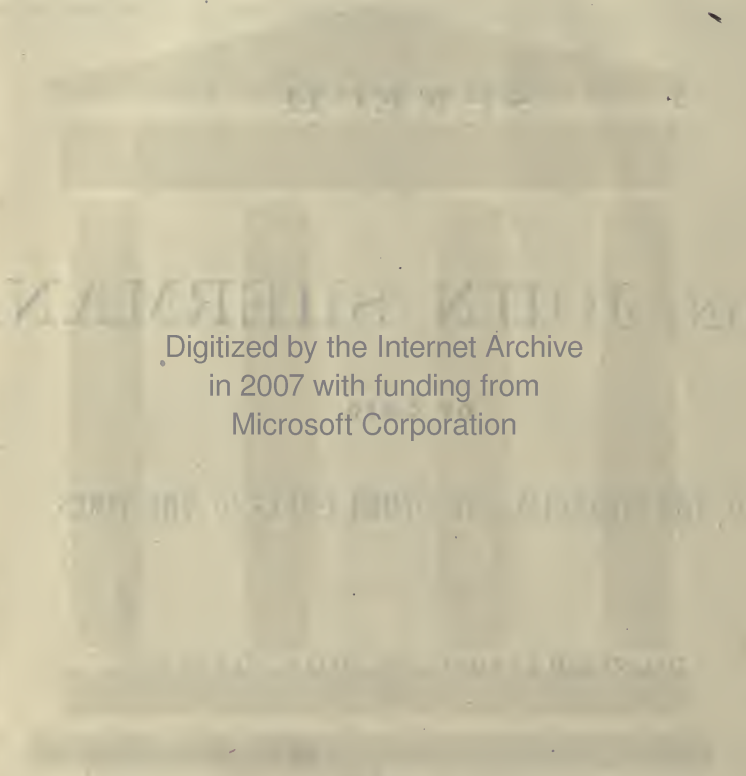
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S P E E C H .

FELLOW-CITIZENS :

I accepted the invitation of your distinguished Senator to speak in the State of Maine during my brief vacation from official duties, mainly that I might present to you the mode by which, in spite of much opposition, United States notes have been advanced to par in coin, and some reasons why these notes ought hereafter to be redeemed in coin at the demand of the holder, instead of being, as formerly, irredeemable, depreciated, and dishonored. You will naturally expect me, as a public officer, to speak mainly on this and kindred financial topics connected with my official duties.

But before doing so, permit me to say that there are questions involved in our political contest this fall more important than those of hard money or soft money, greenbacks or bank-notes.

REVIVAL OF OLD ISSUES.

If I felt at liberty to choose the theme most important to you and to the whole people of the United States, I would present the recent revival by the Democratic party of the Southern doctrine of States' rights. This doctrine has been the evil genius of American politics. It was born of hostility to the Union. It was the bulwark of American slavery. It poisoned and estranged a large section of the country. Under the name of secession, it led to the late rebellion, and aimed to destroy the Union by an open armed conflict with the National Government. Every life that was sacrificed, and the treasure that was wasted in that war, were the bitter fruits of this doctrine.

Now it takes the form of nullification—not nullification by State officers as when General Jackson throttled it, but nullification by members of Congress, the sworn agents and officers of the General Government. These officers would surrender essential powers of the National Government, nullify its law, cripple it in executing its conceded powers, and make it a Confederate instead of a National Government. In the

arrogance of their power one of their leaders declared that it was their fixed purpose to wipe out every vestige of war legislation.

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money, and were held as investments, not as currency. The amount of paper money outstanding, excluding all interest-bearing notes, June 30, 1865, was \$747,223,895 76. The amount on the 30th of June, 1873, just before the panic, was \$749,440,863 94, while on the 30th of June, 1874, after the panic, it was \$780,948,081 17.

Again, the rate of interest was higher in 1873 than before or since. Before the panic the body of the Government debt bore interest at 6 per cent. in gold; corporations in fair credit paid 8 to 10 per cent.; and individuals—especially in the West—mortgaged their farms at from 10 to 12 per cent. The current rate of interest may be said to have been 10 per cent.

The utmost recklessness in contracting debts was then universal, not only by individuals, but by cities, counties, towns, and all kinds of private corporations. It was an era of wild and reckless waste and improvidence.

In those speculative times the tonnage of American vessels in foreign trade dwindled from 2,379,396 in 1860, to 1,378,533 tons in 1873. Wherever we were brought in competition with countries doing business upon a specie basis, we were driven from competition, either on the ocean or in workshops.

Railroads were built where they were not needed, in advance of settlements; furnaces were put up in excess of all possible permanent demand, and over-production and over-trading occurred in all branches of business.

The balance of trade with foreign countries had been for a series of years steadily against us. From 1863 to 1873 the excess of imports over exports was \$1,086,440,587, and from 1869 to 1873, \$554,052,607.

I am not able to give you the amount of private and corporate indebtedness contracted in foreign countries during these years of reckless speculation, but it was probably equal to or in excess of the balance of trade against us. We then enjoyed the prosperity of a profligate while wasting his inheritance, or the happiness of a drunkard while on a spree.

The panic of 1873 called a halt, and, as by a stroke, paralyzed all domestic industry, and bankruptcy and ruin spread from corporations to individuals, and property was unsalable except at prices far below its value.

It is hardly worth while for us to enter into the discussion of the causes of this calamity. Honest men would differ about it. Some attribute it to the waste of the war, some to the over-production that followed the waste of the war; some to irredeemable paper money.

But whatever may have been the cause, the calamity was admitted by all to be wide-reaching and long-continued. It affected foreign nations much more severely than our own. Every nation in Europe suffered as much or more than the United States. The industries of Great Britain were paralyzed. Our earlier recovery from this stagnation is due to our vast territory and undeveloped resources, and the natural energy of a young and vigorous nation.

THE RESUMPTION ACT.

When Congress met in December, 1873, it undertook to find a remedy for these evils, and for a year we had discussions in Congress, in the press, and among the people, as to how best to relieve our distresses and restore our industries to solid foundation. In the course of this discussion the people naturally divided. On the one hand it was insisted that the true remedy was to inflate the currency by a large increase of paper money, and, with that view, twenty-six millions of dollars in United States notes were thrown upon the market. On the other hand it was insisted that the only hope for relief was to return to a specie basis, and to advance all forms of currency to that standard.

In January, 1875, and during the second session of Congress—eighteen months after the panic—the measure known as the resumption act was adopted by a majority of both branches and approved by the President. This was a Republican measure, for, though many Democrats favored resumption, yet party discipline and the hope of party advantage induced every one of them to vote against the resumption act. This measure was a very simple one, containing but two propositions—one was that silver coin should be gradually issued for the redemption of fractional currency, and the other was that on January 1, 1879, the National Treasury should redeem, in coin, any United States notes that were presented. This act was not to take effect, in its material provision, until four years from the date of its passage. Steps were taken by Secretary Bristow, and your distinguished townsman, Secretary Morrill, for the gradual replacement of fractional currency by silver coin, but until the spring of 1877 no material preparation was, or could well have been, made for the redemption of United States notes, which continued to be depreciated, being worth only 89 to 94 cents in coin. A wide-spread feeling prevailed that resumption was impossible, that it would not bring better times, and the country continued to suffer the tortures of the panic of 1873.

During the whole of 1876 and 1877 the resumption act was made the subject of denunciation. The absurd notion was put forward that it was

the cause of the hard times, though no material action had been taken under it, and the hard times came eighteen months before the resumption act passed. All sorts of prophecies were made of its failure. We were told that the resumption act was a sham; that it was a hindrance to resumption; that the attempt to accumulate coin would put up its price; that it would be worth fifty thousand dollars to be on the right of the line on the day of resumption; that resumption was impossible; that it would prostrate industry; that it would stop the sale of bonds; that it would raise the rate of interest for the benefit of the bondholders, shylocks, and capitalists.

The Democratic party, in its platform adopted in St. Louis in 1876, while pretending to be for resumption, denounced the Republican party because it had made no preparation for it, but, instead, had obstructed it by wasting our resources and exhausting all surplus income; and because, while annually professing to intend a speedy return to specie payments, it had annually enacted fresh hindrances thereto. It denounced the resumption act of 1875, as such a hindrance, and demanded its repeal.

Mr. Ewing, of Ohio, and Mr. Voorhees, of Indiana, with others, made a minority report, in which they declared that the law for the resumption of specie payments on the 1st of January, 1879, having been enacted by the Republican party without deliberation in Congress or discussion before the people, and being so inadequate to secure its object, was highly injurious to the business of the country, and ought to be forthwith repealed.

Mr. Tilden, in his letter of acceptance, endorsed this doctrine, and, at the same time, declared himself for a speedy return to specie payments, saying: "The Government ought not to speculate on its own dishonor in order to save interest on its broken promises, which it still compels private dealers to accept at a fictitious par."

I will read some of the prophecies made by very distinguished gentlemen in regard to the resumption act.

General Ewing, in the House of Representatives, November 22, 1877, said:

"If we were wholly out of debt to Europe, if our foreign commerce floated under our own flag, if there were no system of absenteeism among our wealthy classes, expending their wealth abroad, resumption in gold, or even gold and silver, would be impossible on our present volume of paper currency for many years to come. * * * The national banks, the importers, the gold rings in New York, the desperadoes of Wall street, the money kings of Europe, to whom we are financially enslaved, *they* will present the greenbacks for redemption and destruction as fast as the gold can be paid over the counters of the Treasury."

Senator Coke, in the United States Senate, May 14, 1878, said :

"It is better, Mr. President, that we bide our time and turn back from the frightful abyss of ruin which yawns across the pathway to resumption. The experiment must end in failure, and must engulf the country in a lower deep of misery than it has yet fathomed. The bulk of the State, private, and savings banks, with their vast sum of the people's deposits, must go by the board by reason of the insufficiency of their reserves, and many of the national banks must fall from the same cause. In this general crash the whole system, from the Treasury down, must succumb. It is simply a question of time, for this result must occur, and in my judgment the time will be very short after the 1st day of January next."

On the 15th of November, 1877, my old friend, Judge Kelley, of Pennsylvania, in the House of Representatives, said :

* * * "But, gentlemen, the worst has not yet come if this act is to be maintained. And I tell you—and you may book it to jeer and scoff at me fifteen months hence if it prove not to be a true prediction—the suffering we have endured during the three years this law has been in existence, is like the chill which embellishes while it blasts with feathered frost the leaves and flowers of the tropical plants that surround the homes of our extreme southern States, compared with the arctic cold that builds up the mountainous iceberg, which chills the summer atmosphere of our coast as it passes near our shores."

I have no desire to jeer or scoff at a gentleman whom I sincerely respect, although near two years ago he gave us authority to do so, if he proved to be a false prophet.

Mr. Muldrow said, in the House of Representatives, November 16, 1877 :

"The act gives the Secretary of the Treasury the power to sell bonds, so as to obtain gold to redeem the greenbacks and fractional currency ; but there is no such provision in regard to the national-bank issues. The practical working of the law will be the absorption and retirement of the greenbacks and the issuance in their stead of irredemable national-bank notes. No man with any financial sagacity can believe that the national banks will be able to redeem their circulating currency with coin in January, 1879."

Mr. Buckner, chairman of the Committee of Banking and Currency, said on the 16th of November, 1877 :

"I have not been able to find one man, learned or unlearned, capitalist or laborer, merchant or farmer, who believes resumption possible or practicable. Perhaps the Secretary of the Treasury is an exception."

I might quote for days the warnings and evil prophecies of our Democratic and Greenback friends, but they have been so recently made that it is scarcely necessary. On the other hand, the supporters of this measure insisted that resumption was not only possible but easy;

that the accumulation of coin would lower its price, improve the public credit, increase the sale of 4 per cent. bonds; and that when the fund should be sufficient to inspire confidence in the ability to resume, resumption would be a tranquil and easy passage, the sure forerunner of hopeful prosperity. They also believed that it would lessen the burden of the public debt, and lower the rate of interest not only to the public but to private individuals.

SUCCESS OF RESUMPTION.

Let us now examine which of these opposing opinions has been proved to be true by the test of experience.

The success of resumption depended entirely upon the ability of the United States, by the time fixed, to accumulate in the Treasury an amount of coin sufficient to meet any demands likely to be made upon it. This coin could only be obtained by surplus revenue, or by the sale of United States bonds, full authority for which was given by the resumption act. In April, 1877, it was announced by the Administration that from the 1st of May the Treasury Department would accumulate coin at the rate of \$5,000,000 a month, and accordingly that sum was set aside from the sale of $4\frac{1}{2}$ per cent. bonds, up to the 1st of July.

The very announcement of the purpose to resume, with a definite plan of resumption, at once had a reviving effect upon the public credit, increasing the sale of $4\frac{1}{2}$ per cent. bonds. This induced the Treasury Department, on the 23d day of May, 1877, to withdraw the $4\frac{1}{2}$ per cent. bonds, and on the 9th of June, 1877, to place the 4 per cents. upon the market to be sold at par in coin, both for refunding and resumption purposes. This was a critical experiment, the expediency of which was gravely doubted by many friends of resumption, but it proved a perfect success. This course was pursued until November, the price of coin constantly declining and confidence steadily improving, when Congress met, and a bill speedily passed the House of Representatives to repeal the resumption act. This and other proposed measures affected seriously the public credit, and stopped the sale of bonds as with a clamp. An examination of financial problems by the committees of both Houses and the debates in Congress caused the Senate to refuse to pass the bill for the repeal of the resumption act, and finally prevented the passage of any bill that would cripple that act, and left the Executive authority to pursue its duty as prescribed therein.

On April 11, 1878, the Department was again able to resume its policy of purchasing coin by the sale of $4\frac{1}{2}$ per cent. bonds, and shortly afterwards to commence the sale of 4 per cents. for refunding pur-

poses, and this policy was steadily pursued to the end. During the process coin constantly declined and the sale of 4 per cent. bonds steadily increased. In 1878 we sold \$50,000,000 4½ per cent. bonds at a premium of 1½ per cent., and \$128,685,450 4 per cent. bonds at par. Ninety million dollars of the proceeds of bonds sold in 1877 and 1878 were held in coin as a part of the resumption fund, and the balance was applied to the payment of 6 per cent. five-twenty bonds. At the end of the year 1878, and before Congress had convened, we had thus accumulated, including surplus revenue, a coin reserve of \$138,000,000. Resumption had practically come one month before the day fixed by law, as quietly and tranquilly as a vessel would float from the river into the ocean. Our notes were no longer at a discount. They were at par with coin. The same money was paid to the laborer, the farmer, and the bondholder, and all as good as the best coin issued from the mint. On the 1st day of January, and on every day since, both gold and silver have been ready, and have been paid to every holder of a greenback who desired it. So complete was the success of resumption that all the notes presented for redemption since the 1st of January, and prior to the 1st of July, amount to \$7,976,698, while gold coin has been freely deposited in the Treasury in exchange for United States notes. The total amount of gold coin and bullion in the Treasury on the 2d day of January, 1879, was \$135,382,639 42. On the 1st day of this month the amount of such coin and bullion was \$135,436,474 62; and the amount of silver dollars has increased from \$16,697,338 in January to \$28,147,351 July 1.

The law provided for the redemption of United States notes only at the sub-treasury at New York, and captious critics, who said that resumption was a sham, objected that notes were not redeemed in other parts of the United States. But, in fact, resumption did occur in all parts of the United States; and in the far west, and in California, greenbacks rose to and are now at a premium. To remove the complaints of a few persons, that they could not get gold coin in Philadelphia and other cities, the Treasury has supplied the demand for gold coin wherever it has arisen; but United States notes being redeemable in coin are so much more convenient for all the uses of life that, in practice, they are preferred everywhere, and are now in full circulation and credit, not only in every part of the United States, but in every leading European city, and in the islands of the Pacific ocean.

RESUMPTION NOT AIDED BY CONGRESS.

No assistance whatever was extended by Congress in aid of resumption. On the contrary, it increased the minimum of United States

notes, upon which resumption was to be maintained, from \$300,000,000 to \$346,681,016. It recently required the redemption of fractional coin as well as United States notes. By pending measures of the most dangerous character, and by continual agitation, it greatly disturbed the public credit, and made the task of the Department much more difficult and its means much less. It reduced the revenue from taxes on tobacco to the extent of eight or nine millions annually. It largely increased the aggregate of appropriations.

The annual appropriations for the fiscal years ending June 30, 1878, 1879, and 1880, exclusive of appropriations for public debt and other permanent appropriations, were as follows:

1878	\$114,069,483 13
1879	146,304,309 21
1880	161,808,934 00

While Congress reduced the revenues and increased appropriations, it neither levied new taxes nor gave authority to borrow money to meet these extraordinary demands, but used the sinking-fund which was specifically set aside by law for the reduction of the public debt; thus arresting the established policy of the Republican party of yearly reducing the debt.

In the last session it appropriated \$26,800,000 for arrears of pensions, debts due a most worthy class of citizens, but provided no means for their payment. It applied for this purpose the fund in the Treasury provided by law for the redemption of fractional currency, leaving this form of debt to be paid out of current revenue. Fortunately, the increase of revenue caused by resumption and reviving industries will, I hope, enable the Treasury to pay every dollar appropriated for arrears of pensions by the 1st of January next, without any other increase of the public debt than that caused by the temporary application of the fund for the redemption of fractional currency. The ability to pay these demands is largely due to economies effected in collecting the customs duties and other executive savings.

RESULTS OF RESUMPTION.

Let us now see what have been the legitimate results of resumption.

Since the 1st of January, and prior to the 1st of July, 1879, we have paid about \$1,000,000 coin certificates with United States notes, and have paid \$119,501,109 93 United States bonds with United States notes. Of the enormous sum of called bonds paid by the Treasury, so far as is known, not a dollar has been demanded in coin, and thus by resumption we have paid, and are paying daily, the five-twenty and ten forty bonds in currency.

Prior to definite preparations for resumption, it was impossible to sell 4 per cent. bonds of the United States at par in coin. After such preparations we were able to sell in 1877, \$75,000,000 four per cents., and in 1878, \$128,685,450; but the moment that resumption was complete the sale of bonds increased with unexpected rapidity. We sold in the month of January, 1879, \$158,904,100, and in the month of February, \$90,101,750. In the month of March the sales fell to \$20,852,100, chiefly by reason of a fear that the enormous payments required under the refunding act during the months of April and May would create a disturbance in the money market, but this fear having been dissipated, by the 1st of April the sales were rapidly resumed, and in four days they amounted to \$73,252,300, enough to cover and pay off all the outstanding five-twenty bonds of the United States. Thus, as the first fruit of resumption, within one hundred days after its coming, we sold \$343,110,250 four per cent. bonds, with which to pay an equal amount of 6 per cent. bonds, securing a saving of \$6,862,205 a year. Nor is this all. There were outstanding at that time \$194,566,300 five per cent. ten-forty bonds, redeemable at the pleasure of the United States. To pay off these bonds the Treasury Department offered \$150,000,000 four per cent. bonds at a premium of one-half of one per cent., the residue to be paid from the proceeds of ten-dollar refunding certificates or the direct exchange of bonds. Pending the preparation of this offer, it was greatly doubted whether the Department was justified in demanding a premium, but as these were the last bonds that could be offered within two years I then thought a premium could be secured, and would have demanded a higher rate but that the law required the refunding certificates to be exchanged at par for lawful money. These refunding certificates were designed to furnish an easy opportunity for persons of limited means to invest their savings in small sums, and were of great importance, not only for the convenience of all classes of our people, but to interest them in the advantages and stability of the public debt. Within two days the whole \$150,000,000 bonds were sold upon the terms stated, and offers were made for the whole of the refunding certificates, which offers were declined, and the certificates were sold by postal money-order offices throughout the United States, and were eagerly taken in sums of one hundred dollars. This closed all the refunding operations authorized by law, for there are no other bonds that can now be redeemed, except by purchase in the open market at their market value.

The annual saving in the interest-charge, effected by these refunding operations, since the 1st of January last, is \$8,810,468, and since the 1st of March, 1877, to the present time, \$14,297,177.

Sometimes complaint has been made that, during this process of refunding, the amount of interest-bearing debt was temporarily increased, and that interest was paid on two sets of bonds at the same time. This, from the nature of things, was unavoidable under the provisions of the refunding act of 1870. By that act, before any bond can be redeemed, notice must be given for the period of three months. Before that notice can be given, bonds have to be sold and the money either collected or secured, and this process necessarily involves the payment of interest for three months, not only upon the bonds sold, but upon those to be redeemed. Advantage was taken of this fact to unjustly arraign the Department for a matter beyond its control. A constant outcry was made that the interest-bearing debt was being increased. The debt statement would necessarily show that, during the three months, two sets of bonds were outstanding, but it would show also that the money was in the Treasury, and this being deducted would leave the balance of the debt as before. Thus, if you owe a thousand dollars with the right to pay it at your pleasure, and borrow money for that purpose, you will have two notes outstanding at the same time until you can apply the borrowed money to the payment of the first note.

This is precisely the condition the United States was in when borrowing money to pay outstanding bonds. The debt statement of July 1 shows as part of the public debt the whole of the ten-forty bonds, and also the whole of the bonds issued for their payment, but also shows the money in the Treasury to pay them. In the next debt statement the ten-forties will disappear, or such as are unpaid will appear among the debt bearing no interest. The cash in the Treasury will also decrease accordingly. I thought the notice required by the law was entirely too long, and in my annual report to Congress, Democratic in both branches, earnestly urged a shortening of the period to thirty days or less, in order to save this double interest, but the recommendation was declined or ignored. If any one is to be held responsible for the double interest it should be Congress. In justice to the Department, it is but fair to state that all the loans negotiated for the last two years have been on more favorable terms than any loans ever made by the United States. They were generally made by popular subscriptions by the people directly. The saving from the amount allowed for the expense of negotiating the loan is over \$1,100,000, and the premium exacted on $4\frac{1}{2}$ and 4 per cent. bonds amounts to \$1,496,948 25. I can say without fear of contradiction, that no nation ever negotiated its loans at a less cost or on as favorable terms. The sales of the famous 3 per cent. consols of England, when made, were-

on far less advantageous terms than the United States was able to secure after accomplishing resumption.

The resumption of specie payments has had the same beneficial effect upon the business of private citizens. The reduction of interest on the public debt has made it possible to reduce the rate on all debts, whether State, corporation, or private. Nothing is more certain than that irredeemable money necessarily leads to the increase of the rate of interest. The first effect of its issue is to reduce the rate of interest and to advance prices. If not redeemable in coin it depreciates in value, and more of it is necessary to conduct business. It causes overtrading and speculation, not only as to the prices of commodities, but as to its own value. This is soon shown in the advance of the rate of interest, and what is called a scarcity of money. This general rule is stated by such old writers as Adam Smith and Thomas Tooke, and is fully verified by the rate of interest before the panic and since resumption. Private debts are now being rapidly reduced from 10 to 8 and even to 6 per cent.

The State of New York has, by law, reduced the rate of interest in that State from 7 to 6 per cent. The city of Providence sold $4\frac{1}{2}$ per cent. bonds at above par. The State of Pennsylvania sold \$2,000,000 4 per cent. bonds at above par. The city of New York sold 5 per cent. bridge-bonds at 105.76. Five million dollars of Denver and Rio Grande Railway Company 7 per cent. bonds were subscribed in two hours—the first time for years that money has been pledged for building a railroad. All securities have advanced since January 1 at the average rate of 10 per cent. Mortgages at from 8 to 10 per cent. are daily being reduced to from 6 to 8 per cent. Capital is again seeking investment in any safe securities that offer.

With the first decided preparations for resumption there came slowly a revival of business; with the success of resumption, that revival is marked in nearly every branch of industry.

I do not propose to weary you with a mass of statistics, but will only state the general results with regard to a few leading branches of American industry.

The increase of our exports of domestic merchandise, since the period of the panic, is without example in our history. In the year ending June 30, 1873, the amount of our exports was \$505,033,439. In the year ending June 1, 1879, the amount of our exports was \$699,618,933. In the five years preceding the panic our exports were \$2,013,702,648; and during the past five years they were \$2,999,197,652.

The net imports of merchandise decreased from \$624,687,727 during

the year 1873, to \$422,895,034 in 1878, or 32 per cent.; whereas the value of our exports of merchandise, representing mainly our agricultural and manufacturing products, increased from \$505,033,439 in 1873, to \$680,709,268 in 1878, or 35 per cent.

It may be stated generally that the internal commerce of the country shows a gradual increase of traffic since 1873—the improvement during the last year having been more rapid than during any preceding year since 1873. The tonnage of the great railroads from the East to the West, the most important highways of commerce in this country, shows an increase since 1873 of $37\frac{1}{2}$ per cent. The production of wheat and corn, the two leading cereal products of the country, which constitute the principal part of our exports of breadstuffs, indicates during the last year a large increase over the production of 1873. The production of corn in 1873, was 932,000,000 bushels; in 1878, about 1,360,000,000. Production of wheat in 1873, 281,000,000; in 1878, about 425,000,000.

The cotton crop of the United States, during the year 1878, was larger than any previous crop in the history of the country. Our exports of cotton increased from 1,200,000,000 pounds in 1873, to 1,608,000,000 pounds in 1878.

The quantity of wool produced, increased from 158,000,000 pounds in 1873, to 207,000,000 in 1878. The total amount which went into consumption, including domestic production and imports, representing the manufacture of woollen goods in the United States, increased from 236,000,000 pounds in 1873, to 249,000,000 pounds in 1878.

Even our shipping interests, engaged in foreign trade—the industry most depressed—show some signs of hopefulness. Ships and barks are the classes of sailing-vessels principally employed in foreign trade. The average number of vessels of these two classes built during each of the years 1847 to 1858, inclusive, was 248, but during the year 1871 the number was only 40; in 1872, only 15; and in 1873, only 28. Since that time, however, there has been a considerable improvement, the average number built during each of the last five years being a little more than 82.

The total tonnage of American vessels engaged in foreign traffic, which, as I have already stated, fell from 2,379,396 tons in 1860, to 1,378,533 tons in 1873, has since that time increased to 1,589,348 tons in 1878.

Another indication of increased business is derived from a statement of the exchanges at the twenty-two clearing-houses in the chief cities in the Union, from which it appears that for the first five months of

the year ending June 30, 1878, the amount of exchanges in those cities was \$11,936,373,274, and for the same period of 1879, it was \$14,350,492,229, showing an increase of 20.2 per cent. this year.

I might extend this statistical information to almost every department of industry or business, but it is scarcely worth while, because the general concurring sentiment of the whole public is, that, while we have not yet recovered from the languor of the panic of 1873, yet, under the inspiring influence of specie payments, the worst is past, and we are now improving in every branch of industry. I am not foolish enough to attribute all these signs to the act of resumption. No doubt it is largely due to the habits of thrift, economy, and industry which necessarily followed the depression of business, largely to the migration of people thrown out of employment who have found homes in the west, but mainly to the recuperative energies of a vigorous, industrious, and active people. What I wish to prove is, that resumption, the restoration of our currency to the coin standard, contributed to these beneficial results, and it belied all the false prophecies made as to its effect.

I have thus stated my view of the successful execution of the policy of resumption, and of the beneficial results in the reduction of interest on the public debt and the general improvement of business.

OPPONENTS TO RESUMPTION.

Now let us examine the specific complaints of our fellow-citizens who have been heretofore opposed to resumption and to the entire financial policy of the Republican party.

Of what do they complain?

First, they said resumption would contract the currency; that we would have nothing but coin in circulation. This I have shown to be entirely delusive. The resumption act provided for no contraction of the currency, but United States notes were to be retired only as a greater amount of bank notes were issued. The only contraction that has occurred since the passage of the resumption act has been by the voluntary withdrawal by national banks of a portion of their circulation when they found it could not be profitably employed in business. Every act done under the resumption act tended to increase rather than diminish circulation; and now that all this circulation is at par with gold, the coin itself becomes an important factor in the volume of circulation, and swells the amount that is available for the transaction of business.

The amount of coin and currency in circulation the 1st instant was as follows:

United States notes	\$346, 681, 016
Fractional currency	15, 842, 605
Certificates	17, 880, 650
Bank notes	329, 691, 697
Total	<u>710, 095, 968</u>
Coin, estimated	<u>332, 443, 947</u>

Showing an aggregate of \$1,042,539,915, or \$21 11 per inhabitant.

The amount of national bank notes has actually increased since the 1st of January in the sum of \$5,900,023, so that the result of resumption has been to increase instead of diminish the actual circulation.

Again, they demanded that the bonds should be paid in greenbacks. There was a question, upon which honest men fairly differed, whether the five-twenty bonds were not properly payable in United States notes. They insisted that this should be done, though the payment of the bonds in greenbacks would have increased their issue, in violation of the limit of \$400,000,000 prescribed by the loan laws, and would thus have kept United States notes in perpetual dishonor and depreciation; but now they have been so paid by resumption. All the five-twenty and ten-forty bonds redeemed this year, amounting to \$537,676,550, have been paid in greenbacks, and the interest on all the bonds is paid in greenbacks, and all this is done without raising any question of good faith with the public creditors.

They also demanded that the customs duties should be paid in greenbacks. This is now daily done, without question, as the result of resumption.

We receive United States notes for all purposes and all demands, and pay them out for all purposes and on all demands. Resumption has enabled us to do this. It has accomplished every object which the Greenbackers sought to accomplish by the repeal of the resumption act. Should they not be content? What more do they want? Are not we who have brought about these results better entitled to the name of greenbackers than they who would forever keep the greenback as a dishonored and irredeemable note? We presided over the birth of the greenbacks, and guarded them in the cradle. The Democratic leaders denounced them as a fraud, with the mark of Cain on their brow, as worthless, to be bought some day by the cord. We have crowned them with honor. They are no longer depreciated, but may travel the circuit of the world equal to the best coin ever issued from the mint.

GREENBACK POLICY IN MAINE.

The policy of the modern Greenbacker is to depreciate the greenback, to destroy its purchasing power, to make it depend, not upon the intrinsic value of the coin into which it can be converted, but upon some imaginary value given to it by law. The people of Maine will have to choose between those Greenbackers who strictly preserve the national faith, seek to maintain the greenback at par with coin, and those who, with utter disregard of the public faith, wish to restore the old state of affairs, when the greenback could only be passed at a discount, and could neither be received for customs duties nor be paid upon the public debt. They would revive the old distinction between the bondholder and the noteholder, when a 100-cent gold dollar was paid to the bondholder and an 80-cent irredeemable note was the pay of the laborer. We would have one money for all, and that good money, each dollar of which will buy 100 cents' worth of food and clothing.

One would suppose, fellow-citizens, that our greenback friends, after all their prophecies had been proven to be false alarms, after we have secured and enjoyed for a brief period the blessings of a sound currency redeemable in coin, would be content to let well enough alone; but, dropping the resumption act, they come to the front with a new set of dogmas, and invite on them a contest with the Republican party.

Perhaps the fairest way in which I can reply to them is by first quoting the platforms of their party in Maine and Ohio, where the chief political contests of this year are to be fought. The first clause of the Maine platform is as follows:

"The convention congratulates the people of Maine that the increase of coin and bonded indebtedness of the Government in time of profound peace from \$1,100,000,000 in 1865, to \$2,000,000,000 in 1879, is a fact so startling as to alarm every friend of the country; that the reduction of the rate of coin interest and at the same time increasing the principal to such an amount as to vastly increase the coin interest continually, under the pretext of economy, by the reduction of the rate of interest, is such a fraud upon the people as to merit the most severe condemnation."

This is a curious medley of deceptive statements, the purpose of which would seem to be to show that the public debt was increased in a time of profound peace from \$1,100,000,000, in 1865, to \$2,000,000,000, in 1879, while, in truth and in fact, the interest-bearing debt, in 1865, was \$2,381,530,294 96, and now, that the refunding operations are completed, it is \$1,797,643,700. It is true that the debt, in 1865, was not all payable in coin; \$217,024,160 was in the form of compound-

interest notes bearing 6 per cent. compound interest, and \$830,000,000 was payable in Treasury notes bearing currency interest at the rate of $7\frac{3}{10}$ per cent.; but the latter, having matured, was converted eleven years ago into 6 per cent. coin-bonds, a decrease of the rate of interest of $1\frac{3}{10}$ per cent. In fact the interest-bearing debt has been reduced since 1865 in the sum of \$583,886,594 96, and the annual interest charge on this debt has been reduced from \$150,977,697 87 to \$83,773,778 50.

The statement as made would be absolutely false, but for the equivocation upon the words "coin interest."

Now all our interest, though nominally payable in coin, is in fact paid in currency. Our friends who never mislead, or hardly ever, make their statement technically true, but really false, for the interest-bearing debt has been reduced near \$600,000,000 and the yearly interest \$67,000,000.

Exactly how our greenback friends can say that the reduction of the rate of interest under the pretext of economy "is such a fraud on the people as to merit the most severe condemnation," is past finding out. The truth is that the intelligent commercial world, except only the Greenbackers, has been full of praise and wonder at the remarkable success of the Government of the United States in the reduction of its debt and interest. No nation in the world, in ancient or in modern times, has in so short a period so greatly reduced the immense burden of debt that weighed upon us at the close of the war as we have; so that now the tax on whiskey and tobacco will more than pay the entire interest of the public debt.

But they say that this Administration has increased the interest-bearing debt, and they point to the monthly debt statement for proof. I have already explained how this was temporarily done in the process of refunding the debt. But on the debt statements hereafter the ten-forty and five-twenty bonds will disappear or cease to bear interest; so that our greenback friends will not hereafter be misled by this operation nor be able to mislead others.

Again, they resolve as follows:

"That we favor the unlimited coinage of gold and silver, to be supplemented by full legal-tender paper money sufficient to transact the business of the country."

We have now unlimited coinage of gold, and there is but little, if any, objection to an unlimited coinage of silver at its market value.

To quote from Mr. Grochen:

"It was for the interest of commerce generally, both in India and Europe, that the whole of our commercial transactions should be based

upon an aggregate of silver and gold together, rather than that it should rest only upon gold."

This was the view taken by Hamilton and Jefferson. But to secure such a basis the coinage ratio must be the market ratio. Free coinage of silver at the ratio of 16 to 1 means the single standard of silver. What we object to is the coinage of a silver dollar which is worth only eighty-five cents, and which thus will demonetize gold and leave us only silver as the basis of our coinage. Silver coin has been made the football of demagogues until now many persons are led to believe that the Republican party is opposed to the coinage of silver, while it was the Republican party, and the resumption act itself, that provided for the recoinage of silver, introduced it into current use in place of the fractional currency, and stands ready now to coin it without limit at its market ratio to gold, while the greenback element wishes to coin a silver dollar worth only on the average eighty-five cents, and with a view to cheapen money, to impair contracts, and to banish gold. They refuse to recognize the fact, acknowledged by all the world beside, that by the law of trade silver has depreciated in comparative value with gold, and that the silver dollar of twenty years ago is now intrinsically worth 15 per cent. less, compared with gold, than it was then. We have tried the experiment of coining the silver dollar since it was authorized in 1878, and have coined \$35,801,000. Every effort has been made to put it in circulation without forcing it upon unwilling persons, but the Treasury Department has only been able to issue \$13,359,942, of which \$6,518,912 have been since returned to the Treasury. The sensible course to be pursued with the silver question is to treat it as a practical one, and to coin it without limit only when the commercial nations have agreed upon a market ratio upon which they can all stand. It is now believed that this can be brought about by commercial treaties, and a negotiation is now pending for that purpose. In the meantime silver coin should be limited in amount to a sum that can be maintained at par with gold coin irrespective of its value. As to supplementing the coinage by full legal-tender paper money sufficient to transact the business of the country, this is all well enough, except that the amount should be limited to that amount which can be maintained at par in coin; otherwise you have paper money fluctuating in value, variable as the shade, and a recurrence of all the evils which we have suffered since the panic. There is but one way of testing the amount of paper money that is sufficient to transact the business of the country, and that is by its convertibility into coin on the demand of the holder.

Again, they say that they favor the immediate use of the coin in the Treasury for the reduction of the bonded debt.

This proposition is the purest demagoguism unless it is desirable to have irredeemable paper money depending for its value only upon the mandate of the Government, or what is called fiat money. If we propose to redeem our money we must have in the Treasury coin sufficient to meet any sudden demand. The larger the amount and the greater the certainty of redemption when demanded, the less demand there will be. As a matter of course, by holding this coin in the Treasury we lose the interest that might be saved by its application in the payment of the debt. The amount of interest upon the bonds sold for resumption purposes is \$3,925,000, and this is the only price we pay for the maintenance of resumption, but to compensate for this we have already, since resumption, saved in the process of refunding \$14,297,177 a year, and are now enjoying the benefits of reviving industry and hopeful prosperity, largely the result of the maintenance of specie payments. Without a large reserve of coin, a combination of brokers or bankers wishing to put up the rate of interest or to speculate in the market, could any day endanger resumption or make a panic. It is hard to please our greenback friends. A year ago they protested we could not accumulate enough gold to maintain resumption, and now, after resumption, they protest that we have got too much.

They say they favor the substitution of greenbacks for national-bank notes.

This question of the continuance of the national-bank notes is one of grave difficulty, which should be taken up by the people of the United States and considered and discussed with the utmost care. I am not specially the advocate of any kind of banks; but it is certain that the national banks are the best that ever were devised—conceded to be so by the leading economists of other nations, and proven to be so in our own country by a comparison with the State banks. They are generally distributed throughout the United States, and form local agencies to promote exchanges. Their notes are absolutely secure beyond peradventure. They are guarded against counterfeiting so successfully that scarcely any loss happens in this way. Compared with the old system of State banks, they are in every respect superior, and no sensible man would exchange the National system for the State-bank system.

These banks are free, are organized under general law open to all alike; so that the business of banking is as free as that of blacksmith-

ing. There is no monopoly in it, except that only men having money can bank, precisely as only those can farm who either own or rent land. These banks are chartered for twenty years, and the earliest to expire will be in 1883; so that the question of their discontinuance cannot honestly be determined until then. The substitution of greenbacks for bank notes, if seriously attempted, would make such a stringency in money, and such a disturbance in business, that in comparison with it the panic of 1873 would be but a shower to a hurricane. The withdrawal of the circulating notes from the banks would, necessarily, compel the sale of the bonds deposited for their security, and this would unquestionably lead to the collection of loans and discounts, which would affect every village and hamlet in the land.

It is objected to the national banks that they draw interest on the United States bonds deposited by them, and also on the circulating notes issued by them. As to the bonds held by them, they are the property of the stockholders, and not the property of the Government. We require them as security to the holders of the notes because it is the best security. If the bank goes out of existence the interest of the bonds will still have to be paid by the Government. As to the circulating notes, a part of them must be held in reserve and a part loaned to business men; but for this privilege, open to all alike, they have paid to the National and State governments, taxes averaging \$16,908,181 a year for the last ten years, a sum greater than five per cent. of the entire amount of their circulating notes. If the tax is not sufficient you can increase it. But, it is said, the Government might issue these circulating notes and save interest. In doing so, however, it would lose at once the taxes collected from the banks; it would violate the public faith, pledged in an express provision of the law creating the public debt, that the amount of United States notes shall not exceed \$400,000,000; it would make necessary larger reserves to maintain resumption on the increased amount of United States notes, and would eventually lead to the abandonment of all idea of a specie standard, and again launch the country on the sea of irredeemable money, with the inevitable result of wild speculation, panic, and bankruptcy. Can it be that the shrewd, sagacious people of Maine cannot see that by yielding an inch to these dogmas that threaten the public faith and specie resumption they open the sluice-way to repudiation and communism? Let us in due time, as their charters expire, deal with these national banks as may seem best for the public interest, preserving always the public honor and the specie standard.

This platform says :

"The volume of our money should not vary with the chance production of the precious metals or the caprice of corporations."

This dogma is an absurdity on its face. Money is only needed to buy productions, and the quantity, value, and demand for productions create a necessity for more or less money in precise proportion to their amount. A fixed volume of paper money is what the Greenbackers have hitherto complained of; and one of the chief merits of the system of free banking is, that it gives an opportunity for the ebb and flow of currency, the increase or diminution of the volume depending, not upon the caprice of corporations, but upon the demand and necessity for currency. In this respect national-bank notes have greatly the advantage of paper money issued by the Government, which can only be paid out according to the wants and necessities of the Government in the conduct of public business. The true doctrine is, that a volume of paper money, always redeemable in coin and maintained at par by ample reserves, increasing and diminishing according to the demands of business, should be provided by the National Government under general laws, free and open to all alike. Our present system, consisting of gold and silver coin equal to each other, and United States notes and bank notes, always redeemable, comes nearer the ideal form of money than has ever heretofore been devised by man.

GREENBACK POLICY IN OHIO.

So much for the Maine platform. Let us turn now to some dogmas in the platform of the Greenbackers in Ohio. They say, first:

"The General Government should issue an ample volume of full legal-tender currency to meet the business needs of the country, and to promptly pay all of its debts."

Here is the broad doctrine that the General Government must conduct all its operations with fiat money, made a full legal tender, and supply enough to meet the business needs of the country. How much does this dogma demand? For the latter purpose, to pay its debts, it would need about \$1,700,000,000, and for the former purpose, according to a moderate estimate of a conservative Greenbacker, it would require anywhere from \$700,000,000 to \$2,000,000,000 more. In other words, they propose to strike at the foundation of all values by the issue of irredeemable paper money, to be used a part in paying the national debt in violation of the public faith, and the balance as a legal tender upon all contracts and debts between private citizens. It is strange that honest men should proclaim such a dogma and not be able to see that the only

effect would be to destroy the value of this currency, and to compel citizens to resort to barter, and, finally, with or without law, to coin again. This is the extremity of greenbackism in Ohio.

Again, they say, "We are inflexibly opposed to the issue by the Government of interest-bearing bonds of any description for any purpose whatever."

If this dogma had been adopted by the Government, it would have been utterly helpless during the recent war—without credit, without the power to borrow money, without the power to conduct the operations of war, or to carry on foreign trade. The power to borrow money is indispensable to every government of civilized man. Barbarians may live without trade or contracts or debts, but a country that had no resources except to issue paper money under dogma number one, and denied the power to contract debts under dogma number two, would be as weak as a rope of sand, and, under these conditions, our Government would relapse into anarchy or despotism.

They also say:

"The national-banking system should be immediately abolished."

This only differs from the Maine platform in that it demands that the national banks shall be *immediately* abolished. They will not wait a year or a day. Without warning they will compel the collection of all the notes held by the banks, and precipitate ruin upon every business man or manufacturer in the country.

They further say:

"We demand the immediate calling-in and payment of all United States bonds in full legal-tender money."

This is still more monstrous, when it is remembered that no debt of the United States is now due or redeemable; that this Administration has redeemed all the bonds that have matured by the issue of 4 per cent. bonds, in the way I have already stated. The next bonds that are redeemable are those known as the long bonds of 1881, issued before the legal-tender act was passed, and the 5 per cent. bonds issued under the refunding act, all of which are expressly payable in coin.

It will be seen that this dogma demands that we should violate the express stipulation of the contract, not only as to the time when the bonds shall be paid, but as to the manner in which they shall be paid. There was at one time an honest dispute as to the terms and conditions upon which the five-twenty bonds would be paid.

PAYMENT OF BONDS IN GREENBACKS.

I have been arraigned recently in your city for inconsistency because ten years ago, in a letter to Dr. Mann, I insisted that by a fair construction of the loan acts under which the five-twenty bonds were issued they were payable in greenbacks. So I did contend, and so I say now; but I also insisted that we were bound by law and public policy, after the war was over, to advance these notes to par in coin, and that we could not take advantage of our own wrong in postponing the redemption of United States notes in order to pay our bonds in depreciated and dishonored paper money; and this principle was the basis of the act to strengthen the public credit, passed March, 1869. Well, we have at last redeemed our pledge to the noteholder, and we have now paid these very five-twenty bonds in United States notes with a far greater saving than if we had paid them in greenbacks ten years ago, and with infinitely greater advantage to the public credit.

There is now no public debt about which any question exists as to the terms and conditions upon which it must be paid, and yet it is proposed to violate these conditions by the wholesale, and place the United States of America in a far worse position of dishonor and repudiation than Mississippi or Louisiana, or Egypt or Turkey.

Is it possible to go farther in the road of dishonor than is proposed in these platforms?—and yet the Democrats of the State of Maine, members of the old, powerful organization which for half a century controlled the destinies of the Government, are asked at the end of a great war to support and maintain dogmas which strike at the public honor, the public faith, and all the cherished principles and aims of that party in its palmy days. You are now expected to adopt the crazy dogma of extreme opinions, at war with everything that was said by Jefferson, or Madison, or Jackson, or any of your time-honored leaders. I know that it is against the judgment, against the instincts, of old-fashioned Democrats to train under such a banner, and I appeal to them now to come to the rescue of their country—not to be carried by a party name or a party badge to the dishonor of their country and the shame of their children.

I have sometimes thought that the Democrats of the Northern States have been led through devious paths enough by the rebels of the South in their effort to destroy the Government, and in their later movements to sap and mine all the great powers of the National Government; but these extreme Greenbackers, as they are called, ask you now to follow them in a voyage more dangerous, upon dogmas that cannot meet the plain common sense and reason of patriotic citizens, such as compose the great body of the Democratic party.

One of the members of Congress from the State of Maine, the Hon. G. W. Ladd, is reported to have paid his attention to me, in a speech in this city, in the following language :

“Mr. Sherman has sold one hundred and ninety millions of four per cent. bonds in one day to bloodsuckers who were choking the country, and he should be impeached.”

By this act, in a single day, the Treasury Department saved to the people of the United States the sum of \$1,900,000. The “blood-suckers” to whom he refers are those who purchased the forty millions of ten-dollar refunding certificates, who formed in long lines in front of eight hundred post-offices in the United States, each demanding the sum of one hundred dollars or less of those certificates in exchange for United States notes, and the purchasers of \$150,000,000 United States bonds taken by banks to be sold again to citizens and corporations throughout the United States and in Europe, bearing the lowest rate of interest at which the United States has ever been able to negotiate its securities. The proceeds were, within ninety days, applied to the payment of bonds upon which for sixteen years the Government of the United States had been paying five per cent. in gold. These “bloodsuckers” are among the most prominent and enterprising and industrious citizens of the United States, anxious and willing to trust the Government with their earnings, in the full faith that the promises made to them upon their bonds and certificates will be faithfully redeemed, and yet they are denounced by this Congressman with terms of reproach, and I, for doing what the law commanded me to do, and which, I proudly say I was able to do, through resumption and confidence in the public faith, “deserve impeachment.” There must be something, fellow-citizens, in this craze which destroys the reason of men.

THE REPUBLICAN PARTY.

It is to support such dogmas, my Republican friends, that we are invited to desert the great party to which we belong. It may be that the Republican party has made in the last twenty years some mistakes. It may not always have come up to your aspirations. Sometimes power may have been abused. To err is human ; but where it has erred it has always been on the side of liberty and justice. It led our country in the great struggle for union and nationality, which more than all else tended to make it great and powerful. It has always taken side with the poor and the feeble. It emancipated a whole race, and has invested them with liberty and all the rights of citizenship. It never robbed the ballot-box. It has never

deprived any class of people, for any cause, of the elective franchise. It maintains the supremacy of the National Government on all national affairs, while observing and protecting the rights of the States. It has tried to secure the equality of all citizens before the law. It opposes all distinctions among men, whether white or black, native or naturalized. It invites them all to partake of equal privileges, and secures them an equal chance in life. It has secured, for the first time in our history, the rights of a naturalized citizen to protection against claims of military duty to his native country. It prescribes no religious test. While it respects religion for its beneficial influence upon civil society, it recognizes the right of each individual to worship God according to the dictates of his own conscience without prejudice or interference. It supports free common-schools as the basis of republican institutions. It has done more than any party that ever existed to provide lands for the landless. It devised and enacted the homestead law, and has constantly extended this policy, so that all citizens, native and naturalized, may enjoy, without cost, limited portions of the public land. It protects American labor. It is in favor of American industry. It seeks to diversify productions. It has steadily pursued, as an object of national importance, the development of our commerce on inland waters and on the high seas. It has protected our flag on every sea; not the stars and bars, not the flag of a State, but the stars and stripes of the Union. It seeks to establish in this Republic of ours a great, strong, free Government of free men. It would, with frankness and sincerity, without malice or hate, extend the right hand of fellowship and fraternity to those who lately were at war with us, aid them in making fruitful their waste places and in developing their immense resources, if only they would allow the poor and ignorant men among them the benefits conferred by the Constitution and the laws. No hand of oppression rests upon them. No bayonet points to them except in their political imaginings. We would gladly fraternize with them if they would allow us, and have but one creed—the Constitution and laws of our country to be executed and enforced by our country, and for the equal benefit of all our countrymen. If they will not accept this, but will keep up sectionalism, maintain the solid South upon the basis of the principles of the Confederate States, we must prepare to stand together as the loyal North, true to the Union, true to liberty, and faithful to every national obligation. I appeal to every man who ever, at any time, belonged to the Republican party, to every man who supported his country in its time of danger, to every lover of liberty regulated by law, and every intelligent Democrat who can see with us

the evil tendencies of the dogmas I have commented upon, to join us in reforming all that is evil, all the abuses of the past, and in developing the principles and policies which in twenty years have done so much to strengthen our Government, to consolidate our institutions, and to excite the respect and admiration of mankind.

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